REMARKS/ARGUMENTS

The foregoing amendments in the claims are of formal nature, and do not add new matter. Claims 28-36, 38-41 and 43-47 are pending in this application and were rejected on various grounds. The rejection of the remaining claims is respectfully traversed.

The Office Action

Applicants appreciate the withdrawal of the earlier objection to Claim 38, the rejection of Claims 28-33, 37 and 41 under 35 U.S.C. §112, second paragraph, the rejection of Claim 42 under 35 U.S.C. §112, second paragraph, the rejection of Claims 28-32 and 44-47 under 35 U.S.C. §112, first paragraph, for lack of enablement, the rejection of Claims 28-32 and 44-47 under 35 U.S.C. §112 for lack of written description and the rejection of Claim 43 under 35 U.S.C. §112, first paragraph, for lack of written description.

Claim Rejections – 35 U.S.C. §112, Second Paragraph

Claims 28-36, 38-41 and 43-47 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The Examiner noted that the rejection could be obviated by amending the claims so that they are drawn to nucleic acid molecules wherein the "encoded polypeptide induces chondrocyte proliferation." (See page 3 of instant Office Action).

Without acquiescing to the Examiner's position in the current rejection and solely in the interest of expediting prosecution in this case, Applicants have amended Claims 28-32 and 41 (and, as a consequence, those claims dependent from the same) to recite "encoded polypeptide induces chondrocyte proliferation." Hence, the Examiner is respectfully requested to reconsider and withdraw the present rejection.

Claim Rejections – 35 U.S.C. §102

Claims 28-32, 41 and 43-47 are rejected under 35 U.S.C. §102(a) as being anticipated by International Patent Application Publication No. WO 00/00610 (Lal *et al.*, publication date January 6, 2000). Applicants respectfully submit the attached Declaration signed by all of the

inventors, Dr. Desnoyers, Dr. Goddard, Dr. Godowski, Dr. Gurney, Dr. Watanabe and Dr. Wood, the consideration of which is respectfully requested.

Dr. Desnoyers, Dr. Goddard, Dr. Godowski, Dr. Gurney, Dr. Watanabe and Dr. Wood conceived and reduced to practice the invention claimed in the above-identified application in the United States prior to January 6, 2000.

The polypeptide designated as PRO1412 was first disclosed in the priority document, International Application Serial No. PCT/US99/20111 filed on September 1, 1999. The description of PRO1412 can be found at least on page 12 of the PCT publication. In addition, the amino acid sequence (SEQ ID NO: 140) and its encoding nucleic acid sequences (SEQ ID NO: 139) for PRO1412 can be found at least on page 302 under the description of Figures 83 and 84 and in the claims of the PCT publication.

For each PRO polypeptide, its encoding nucleic acid sequence is assigned to a DNA number and an UNQ Number. As indicated in the brief description of Figure 83 on page 302 of the PCT publication and on page 289 of the present specification, the assigned numbers for PRO1412 are DNA 64897-1628 and UNQ730.

The attached Exhibits A and B show the positive results obtained for PRO1412 polypeptide based on the chondrocyte proliferation assay. Chondrocyte proliferation assay is used to find agents that are capable of inducing chondrocyte proliferation and/or redifferentiation. The assay was performed on PRO1412 polypeptide following the protocol described in Example 153 of the specification. According to the protocol, isolated chondrocyte cells are seeded in 96 well plates with either serum-free medium (negative control), staurosporin (positive control) or the test PRO polypeptide. After 5 days, fluorescence dye is added to each plate and measured. The readout of the fluorescence from a plate containing the serum-free medium is measured to establish a background fluorescence level. A positive result in the assay is obtained when the fluorescence of the PRO polypeptide-treated sample is more like that of the positive control than the negative control. This type of fluorescence determination, wherein the readout is compared to positive and negative controls, is well known in the art.

The Genengenes database stores experimental data from the chondrocyte proliferation assay for each PRO polypeptide according to its UNQ number. The database additionally assigns

a pin number (shown under "LOT Name") for each UNQ number. For PRO1412 polypeptide, the assigned pin number is PIN753-1.

A copy of a page from the Genengenes database displaying the positive results for PRO1412 polypeptide is shown as Exhibit A to the declaration.

Copies of pages from Dr. Desnoyers' laboratory notebook showing the positive results for PRO1412 from the assay are shown as Exhibit B. The positive results shown in Exhibit B for PRO1412 polypeptide, identified by its pin number PIN753-1, are indicated with an arrow.

All of the results shown in Exhibits A and B were obtained prior to January 6, 2000.

The Declaration clearly show that the PRO1412 polypeptide and its encoding nucleic acid were conceived and reduced to practice prior to January 6, 2000. Accordingly, the Examiner is respectfully requested to reconsider and withdraw the present rejection.

The present application is believed to be in *prima facie* condition for allowance, and an early action to that effect is respectfully solicited.

Please charge any additional fees, including any fees for additional extension of time, or credit overpayment to Deposit Account No. **08-1641**, referencing Attorney's Docket No. **39780-2830 P1C48**. Please direct any calls in connection with this application to the undersigned at the number provided below.

Respectfully submitted,

Date: August 25, 2004

By: _____
Anna L. Barry (Reg. No. 51,436)

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